

FINANCIAL REPORT
ST. IGNACE AREA SCHOOL DISTRICT
ST. IGNACE, MICHIGAN
June 30, 2006

ST. IGNACE AREA SCHOOL DISTRICT
FINANCIAL REPORT
Year Ended June 30, 2006

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**ST. IGNACE AREA SCHOOL DISTRICT
FINANCIAL REPORT
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Hill • Schroderus & Co., LLP

Certified Public Accountants & Consultants

July 27, 2006

Independent Auditors' Report

Superintendent and
Board of Education
St. Ignace Area School District
St. Ignace, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Ignace Area School District, as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of St. Ignace Area School District, as of June 30, 2006, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2006, on our consideration of St. Ignace Area School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

St. Ignace Area School District
St. Ignace, Michigan

The management's discussion and analysis and the budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Ignace Area School District's basic financial statements. The other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of St. Ignace Area School District. The other supplemental information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hill, Schroeder & Co.

CERTIFIED PUBLIC ACCOUNTANTS
Petoskey, Michigan

BOARD OF EDUCATION

Jane Ann Weiss, President
Rick Litzner, Vice-President
Sheri Oja, Secretary
Mike Grogan, Treasurer
Andy Brown, Trustee
David P. Larva, Trustee
Ann Massey, Trustee

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W429 Portage St., St. Ignace, Michigan 49781

ADMINISTRATION

Michael Springsteen, Superintendent
Donald P. Gustafson, High School Principal
Bonnie Ledy, Elementary-Middle Principal
Kathy McLeod, Business Manager

LaSalle High School - 643-8800

Middle School - 643-7822

Elementary School - 643-8500

Management's Discussion and Analysis

Overview of the Basic Financial Statements

The School District's basic financial statements include government-wide statements, fund financial statements and notes to the financial statements. This report also contains required and other supplemental information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements report information on all of the District's nonfiduciary funds. The government-wide statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a for-profit business.

The Statement of Net Assets displays all of the District's assets and liabilities, with the difference reported as net assets. All long-term assets and debt obligations are presented.

The Statement of Activities focuses on the gross and net cost of the various functions within the District (instruction, support services, etc.), which are supported by the District's general revenues (property taxes, unrestricted State Aid, etc.).

Fund Financial Statements

The fund financial statements report on the governmental funds, with an emphasis on major funds. Major funds are determined by the level of activity within the various funds. The focus of the fund financial statements is on the sources and uses of funds during the current year.

The fiduciary fund is also presented; separate from the governmental funds, due to the fact that these assets do not represent assets of the District. These assets are not presented as part of the Government-wide financial statements.

St. Ignace Area School District maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and QZAB capital project fund, which are considered major funds.

Data from the other 10 governmental funds are combined into a single, nonmajor governmental funds column. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Other Supplemental Information section of the report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

The table below summarizes the District's net assets as of June 30, 2006 and 2005:

St. Ignace Area School District Statement of Net Assets		
	2006	2005
Assets		
Current and other assets	\$ 3,484,586	\$ 3,986,709
Capital assets - net of accum dep	8,480,844	7,922,046
Other noncurrent assets	107,605	117,367
Total assets	12,073,035	12,026,122
Liabilities		
Current liabilities	2,201,249	2,184,397
Noncurrent liabilities	8,429,643	8,972,524
Total liabilities	10,630,892	11,156,921
Net Assets		
Investment in capital assets, net of related debt	634,480	(302,150)
Restricted	677,683	1,406,242
Unrestricted	129,980	(234,891)
Total net assets	\$ 1,442,143	\$ 869,201

The largest portion of the School District's net assets as of June 30, 2006, is its restricted net assets. These net assets represent resources that are subject to external restrictions on how they may be used. It includes approximately \$270,000 for future construction projects, as well as approximately \$408,000 for future debt service.

Investment in capital assets (land, construction in progress, buildings, equipment and vehicles), less any related debt used to acquire those assets that is still outstanding has a balance that increased by approximately \$940,000. This is mainly due to the fact that much of the construction at the High School was completed in the current year, although the debt was outstanding at the prior year-end.

The remaining portion of net assets, unrestricted net assets, has the smallest balance. This is mainly due to the fact that compensated absences (vacation and sick pay) are funded by the District as they come due, rather than when they are incurred. Therefore there is no surplus at year-end for this liability.

The results for the School District as a whole are reported in the Statement of Activities, which is summarized below for the years ended June 30, 2006 and 2005:

St. Ignace Area School District
Statement of Activities

Revenue	2006	2005
Program revenue:		
Charges for services	\$ 248,611	\$ 195,309
Grants and contributions	948,192	1,184,659
General revenue:		
Property taxes	2,005,511	1,836,379
Federal, in lieu of taxes	125,512	181,857
State Aid, unrestricted	4,034,302	3,882,588
Interest and investment earnings	52,377	36,619
Other	189,701	270,497
Total revenues	7,604,206	7,587,908
Function/Program Expenses		
Instruction	4,099,529	4,127,421
Support services	2,182,692	2,402,315
Community services	-	5,109
Food services	301,795	282,240
Athletics	155,892	195,067
Interest/fees on long-term debt	251,960	254,256
Depreciation (unallocated)	39,396	30,984
Total expenses	7,031,264	7,297,392
Change in net assets	572,942	290,516
Net assets - beginning of year	869,201	578,685
Net assets - end of year	\$ 1,442,143	\$ 869,201

As reported above, the cost of all of the governmental activities this year was approximately \$7.0 million. These expenses were funded minimally by charges for services and grants, totaling \$1.2 million. The majority of the District's activities was funded by property taxes and unrestricted state aid, totaling \$6.4 million.

The District experienced an increase in net assets primarily due to cutting expenses from the prior year.

Fund Financial Analysis

As of year end, the governmental funds reported a combined fund balance of approximately \$1.7 million, which is about 20% less than the beginning of the year (\$2.1 million). The General Fund experienced approximately \$67,000 increase in fund balance. This was due to a minimal increase in revenues with expenditures decreasing by approximately 4%. The large decrease in fund balance overall was due primarily to the completion of the high school renovation project in the capital project fund.

General Fund Budgetary Highlights

The increase from the original budgeted revenues to the final budgeted revenues was mainly due to an adjustment of local, state and federal sources of revenue. The budgeted expenditures decreased due to adjustments in support services expenditures.

Actual interdistrict revenues varied by approximately \$59,000 from final budgeted amounts due to not receiving reimbursement for transportation costs until more than 60 days after the year end. Actual expenditures varied from original budgeted amounts due to less than anticipated expenditures for wages and transportation.

Capital Assets

At June 30, 2006 the District had \$12.7 million invested in capital assets. The following table summarizes the capital asset activity for the year:

	July 1, 2005	Additions	Disposals	June 30, 2006
Land	\$ 505,049	\$ -	\$ -	\$ 505,049
Construction in progress	274,881	930,696	(1,205,577)	-
Site Improvements	264,498	-	-	264,498
Buildings and improvements	9,562,800	1,205,577	-	10,768,377
Vehicles	442,397	-	(59,670)	382,727
Furniture and equipment	760,877	29,997	-	790,874
Total capital assets	11,810,502	2,166,270	(1,265,247)	12,711,525
Less accum. depreciation	(3,888,456)	(401,895)	59,670	(4,230,681)
Net capital assets	<u>\$ 7,922,046</u>	<u>\$ 1,764,375</u>	<u>\$ (1,205,577)</u>	<u>\$ 8,480,844</u>

Asset additions for the current year included the completion of the High School renovation and the concession stand. The School District also added copy machines.

Debt Outstanding

At the end of the year, the School District had \$7.8 million in debt outstanding. Below is the debt activity for the year:

	<u>July 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2006</u>
Bonds and installment agreement:	\$ 8,224,196	\$ -	\$ (377,832)	\$ 7,846,364
Other liabilities:				
Compensated absences	<u>1,431,975</u>	<u>-</u>	<u>(126,682)</u>	<u>1,305,293</u>
Total long-term liabilities	<u>\$ 9,656,171</u>	<u>\$ -</u>	<u>\$ (504,514)</u>	<u>\$ 9,151,657</u>

Financial Contact

The District's financial statements are designed to present users with a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed towards the Business Office, St. Ignace Area School District.

ST. IGNACE AREA SCHOOL DISTRICT
Statement of Net Assets
June 30, 2006

	<u>Assets</u>	<u>Governmental Activities</u>
Current Assets		
Cash		\$ 1,458,241
Investments		1,030,247
Interest receivable		-
Accounts receivable		-
Due from other governmental units		990,348
Inventories		750
Prepaid expenses		5,000
Total current assets		<u>3,484,586</u>
Noncurrent Assets		
Capital assets		12,711,525
Less: accumulated depreciation		<u>(4,230,681)</u>
Total capital assets (net of depreciation)		8,480,844
Deferred charges		<u>107,605</u>
Total noncurrent assets		<u>8,588,449</u>
Total assets		<u><u>\$ 12,073,035</u></u>
	<u>Liabilities and Net Assets</u>	
Current Liabilities		
Accounts payable		\$ 263,822
Salaries payable		384,615
Accrued expenses		225,116
Due to other governmental units		30,545
Accrued interest payable		57,269
Notes payable		800,000
Noncurrent liabilities - due within one year		<u>439,882</u>
Total current liabilities		2,201,249
Noncurrent Liabilities		<u>8,429,643</u>
Total liabilities		<u>10,630,892</u>
Net Assets		
Investment in capital assets, net of related debt		634,480
Restricted for debt service		407,673
Restricted for capital improvements		270,010
Unrestricted		<u>129,980</u>
Total net assets		<u>1,442,143</u>
Total liabilities and net assets		<u><u>\$ 12,073,035</u></u>

ST. IGNACE AREA SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction	\$ 4,099,529	\$ -	\$ 653,265	\$ (3,446,264)
Support services	2,182,692	89,228	80,325	(2,013,139)
Community services	-	-	-	-
Food services	301,795	107,765	194,442	412
Athletics	155,892	51,618	9,953	(94,321)
Interest/fees on long-term debt	251,960	-	10,207	(241,753)
Depreciation (unallocated)	39,396	-	-	(39,396)
Total governmental activities	<u>\$ 7,031,264</u>	<u>\$ 248,611</u>	<u>\$ 948,192</u>	<u>(5,834,461)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				1,287,864
Property taxes, levied for debt services				590,981
Property taxes, levied for capital expenditures				126,666
Federal, in lieu of taxes				125,512
State aid, unrestricted				4,034,302
Interest and investment earnings				52,377
Other				189,701
Total general revenues				<u>6,407,403</u>
Change in net assets				572,942
Net assets - beginning of year				<u>869,201</u>
Net assets - end of year				<u>\$ 1,442,143</u>

ST. IGNACE AREA SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2006

	General	QZAB	Other Nonmajor Governmental Funds	Total
<u>Assets</u>				
Cash	\$ 517,873	\$ 40,408	\$ 899,960	\$ 1,458,241
Investments	685,714	-	344,533	1,030,247
Interest receivable	-	-	-	-
Due from other governmental units	898,635	-	2,485	901,120
Inventories	-	-	750	750
Prepaid expenses	4,696	-	304	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 2,106,918	\$ 40,408	\$ 1,248,032	\$ 3,395,358
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 261,610	\$ -	\$ 2,212	\$ 263,822
Salaries payable	369,856	-	14,759	384,615
Accrued expenses	216,117	-	8,999	225,116
Due to other governmental units	30,545	-	-	30,545
Interest payable	23,295	-	-	23,295
Notes payable	800,000	-	-	800,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	1,701,423	-	25,970	1,727,393
Fund Balances:				
Reserved for inventories and prepaid expenditures	4,696	-	1,054	5,750
Reserved for debt service	-	-	407,673	407,673
Reserved for capital improvements	-	40,408	229,602	270,010
Unreserved:				
Undesignated	400,799	-	583,733	984,532
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	405,495	40,408	1,222,062	1,667,965
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 2,106,918	\$ 40,408	\$ 1,248,032	\$ 3,395,358

ST. IGNACE AREA SCHOOL DISTRICT
Governmental Funds
Reconciliation of Balance Sheet of Governmental Funds to Net Assets
June 30, 2006

Total Fund Balances - Governmental Funds	\$	1,667,965
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds balance sheet

Cost of capital assets		12,711,525
Accumulated depreciation		(4,230,681)

Interest is accrued on outstanding bonds in governmental activities, whereas in governmental funds, an interest expenditure is reported when due		(33,974)
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Revenue is recorded in the governmental funds when it is measurable and available. In governmental activities, a receivable is recorded when revenue is earned.		89,228
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Bond issuance costs are recorded in governmental activities as a deferred charge, whereas in governmental funds, the costs are reported as expenditures when paid.		107,605
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Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds balance sheet

Bonds payable, net		(7,564,232)
Compensated absences/termination pay		(1,305,293)

Total net assets - governmental activities	\$	<u>1,442,143</u>
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ST. IGNACE AREA SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2006

	General	QZAB	Other Nonmajor Governmental Funds	Total
Revenues:				
Local sources	\$ 1,528,773	\$ 9,399	\$ 917,032	\$ 2,455,204
State sources	4,343,056	-	62,313	4,405,369
Federal sources	559,721	-	165,168	724,889
Interdistrict	14,144	-	-	14,144
Other sources	36,318	-	-	36,318
Total revenues	6,482,012	9,399	1,144,513	7,635,924
Expenditures:				
Current:				
Instruction	3,931,307	-	-	3,931,307
Support services	2,153,643	-	-	2,153,643
Community services	-	-	-	-
Food service	-	-	301,795	301,795
Athletics	-	-	147,343	147,343
Debt service:				
Principal	-	-	377,832	377,832
Interest	-	-	220,732	220,732
Capital outlay	-	922,864	7,832	930,696
Total expenditures	6,084,950	922,864	1,055,534	8,063,348
Excess (deficiency) of revenues over expenditures	397,062	(913,465)	88,979	(427,424)
Other financing sources (uses):				
Operating transfers in	-	-	369,105	369,105
Operating transfers out	(330,644)	-	(38,461)	(369,105)
Total other financing sources (uses)	(330,644)	-	330,644	-
Net change in fund balances	66,418	(913,465)	419,623	(427,424)
Fund balances - beginning of year	339,077	953,873	802,439	2,095,389
Fund balances - end of year	\$ 405,495	\$ 40,408	\$ 1,222,062	\$ 1,667,965

ST. IGNACE AREA SCHOOL DISTRICT
 Governmental Funds
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Year Ended June 30, 2006

Net Change in Fund Balances - Total Governmental Funds	\$	(427,424)
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay expense in the period exceeds current year depreciation.		558,798
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		377,832
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		2,217
In the statement of activities, compensated absences and termination pay are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid.		126,682
Revenue is recorded in the governmental funds when it is measurable and available. In governmental activities, revenue and an account receivable are recorded when revenue is earned.		(31,718)
Proceeds from the issuance of bonds are reported as other financing sources in the governmental funds. In the statement of net assets, these amounts increase a long-term liability. Discounts, premiums, losses and issuance costs are allocated over the remaining lives of long-term debt. This is the current year amortization.		(33,445)

Change in net assets - governmental activities	\$	572,942
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ST. IGNACE AREA SCHOOL DISTRICT
Fiduciary Fund
Statement of Fiduciary Net Assets
June 30, 2006

	<u>Student Activities Agency Fund</u>
<u>Assets</u>	
Cash	<u>\$ 150,433</u>
<u>Liabilities</u>	
Due to student groups	<u>\$ 150,433</u>

ST. IGNACE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

St. Ignace Area School District (the "School District") operates under a Board-Superintendent form of government and provides education services to its residents. The accounting policies of the School District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant policies used by the School District:

Reporting Entity

The accompanying financial statements have been prepared in accordance with criteria established by Governmental Accounting Standards Board Statement (GASBS) No. 14 (and amended by GASBS No. 39). GASBS 14 states the primary basis for determining whether outside agencies and organizations should be considered component units of the School District and included in the School District's financial statements is financial accountability. Financial accountability has been defined as follows: A primary government has substantive authority to appoint a voting majority of the component unit's board; the primary government is either able to impose its will on a component unit or there is a potential for the component unit to provide specific financial burdens on the primary government; and the component unit is fiscally dependent on the primary government. The School District has no component units.

Basic Financial Statements – Overview

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's activities are considered governmental activities.

Basic Financial Statements – Government-Wide Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. These statements are reported using the economic resources measurement focus and the full accrual basis of accounting. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The government-wide focus is more on operational efficiency, the sustainability of the School District as an entity and the change in the School District's net assets resulting from the current year's activities.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis. Due to the full accrual, economic resource basis, all long-term assets and receivables, as well as long-term debt and obligations are recognized. The School District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The School District first utilizes restricted resources to finance qualifying activities.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basic Financial Statements – Government-Wide Statements - Continued

The government-wide Statement of Activities, due to the full accrual, economic resource basis, records revenue when it is earned and expenses when a liability is incurred, regardless of the timing of related cash flows. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted State Aid and other items not properly included among program revenues are reported as general revenue. Any net costs, by function, are allocated to the general revenue.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the School District are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The emphasis in the fund financial statements is on the major funds in the governmental activities category. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of the governmental funds) for the determination of major funds. The School District's major funds, as described below, are the General Fund and the QZAB Capital Project Fund. Nonmajor funds by category are summarized into a single column.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded in the accounting period in which they become both available and measurable. Revenues are available when received within the current period or within 60 days after year end. Expenditures are recorded in the accounting period in which the liability is incurred. The exception to this general rule is principal and interest on general obligation long-term debt, which is recognized when due.

The focus of the fund financial statements is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources).

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not provided for in other funds. The General Fund is a major fund of the School District.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basic Financial Statements – Fund Financial Statements - Continued

Governmental Funds - Continued

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

School Service Funds – The School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. The School District maintains full control of these funds. The School Service Funds maintained by the School District are the Cafeteria and Athletics Funds.

Debt Service Funds – The Debt Service Funds are used to record tax and interest revenue and the payment of interest, principal and other expenditures on long-term bonded debt. The Debt Service Funds maintained by the School District are the 2003 Refunding, 2004 Refunding, QZAB, Durant Non-Plaintiff and the Bus Debt Service Funds.

Capital Project Funds – The Capital Project Funds are used to record bond proceeds or other revenue and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment, and for major remodeling and repairs. These funds are kept open until the purpose for which they were created has been accomplished. The Capital Project Funds maintained by the School District are the Building and Site, QZAB, Bus and Sinking Capital Project Funds. The QZAB Fund is a major fund of the School District.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the School District in a trustee or agency capacity for others and therefore are not available to support School District programs. Since these funds cannot be used to address activities or obligations of the School District, these funds are not incorporated into the government-wide statements. Fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. The following agency fund is presented in the Statement of Fiduciary Net Assets:

Student Activities Agency Fund – The School District presently maintains a Student Activities Agency Fund to record the transactions of student groups for school and school-related purposes. The funds are segregated and held by the School District for the students.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other accounts that have the general characteristics of demand deposits.

Investments

Investments are stated at fair market value.

Inventories

Inventories are stated at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventory recorded in the Cafeteria Fund consists of food and paper goods. Expenditures/expenses for inventory-type items are recorded at the time of use in the Cafeteria Fund.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital Assets

Capital assets, which includes land, buildings, equipment and vehicles, are reported in the Statement of Net Assets in the government-wide financial statements. Capital assets are defined by the School District as assets that are purchased or acquired with an original cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date donated. Additions, improvements and other capital outlay that significantly extend the useful life of an asset, or increase its capacity or efficiency, are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20-50 years
Furniture, equipment and vehicles	5-15 years

Compensated Absences

The District's certified and non-certified employees are allowed to accumulate and vest sick days in accordance with their respective contracts. This amount is reported in the government-wide financial statements and represents a reconciling item between the government-wide and fund presentations.

Comparative Data

Comparative total data for the prior year is not included in the School District's financial statements.

NOTE 2: BUDGETING/COMPLIANCE

The School District is required under Public Act 621 to adopt a budget for the General and Special Revenue Funds. Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State law for these funds. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. All annual appropriations lapse at year end.

The presentation of budgetary information is required for the General Fund and all major Special Revenue Funds. (The School District does not have any major Special Revenue Funds). In the required supplemental information section, the School District's actual and budgeted expenditures for the General Fund are presented. The School District did not have an excess of expenditures over appropriations for the General Fund or its Special Revenue Funds.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 3: CASH AND INVESTMENTS

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits and investments are in accordance with statutory authority.

Cash Deposits

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned. The School District does not have a deposit policy for custodial risk. At year-end, the carrying amount of the School District's deposits for both governmental activities and fiduciary funds was \$2,638,921 and the bank balance was \$2,683,602. Of the bank balance, \$145,920 was covered by federal depository insurance. The remaining \$2,537,682 was uninsured and uncollateralized. State statutes prohibit security in the form of collateral, surety bonds or another form be taken for the deposit of public funds.

Pooling of Cash

The School District pools a portion of its cash for investment purposes.

<u>Fund</u>	<u>Pooled Cash</u>
General	\$ 517,764
Other nonmajor governmental funds	119,326
Fiduciary fund	<u>150,433</u>
Total pooled cash	787,523
Cash not held in pooled accounts	<u>821,151</u>
Total cash	<u>\$ 1,608,674</u>

Investments

Investments consist of Certificates of Deposit with a carrying amount of \$1,030,247 at June 30, 2006. These are considered deposits for custodial credit risk.

NOTE 4: PROPERTY TAXES

Property taxes are levied and become a lien on property as of December 1 on the State taxable valuation of property in the School District as of the preceding December 31.

Property taxes are recognized as revenue in the fiscal year they are levied. The Michigan School Accounting Manual requires property taxes receivable be written off in the current year if not received within 60 days of the end of the previous year. This applies to both the government-wide (full accrual) and the fund (modified accrual) financial statements. There is no significant departure from the full accrual basis of accounting using this method.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 4: PROPERTY TAXES – CONTINUED

The 2005 State taxable valuation of non-homestead property as of May 17, 2005, for St. Ignace Area Schools totaled \$75,865,439 on which taxes levied consisted of 18.0 mills for operating purposes. The total taxable valuation of the School District as of May 17, 2005, was \$128,280,984 on which taxes levied consisted of 5.61 mills for debt retirement. These amounts are recognized in the General, 2004 Refunding Debt Service, 2005 Refunding Debt Service, Bus Debt Service and Sinking Capital Project Funds.

Classification of assessed property between homestead vs. non-homestead is subject to change. In addition, Michigan Tax Tribunal and Board of Review changes throughout the year affect the total taxable valuation.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the School District's governmental activities was as follows:

	Balance July 1, 2005	Additions	Disposals	Balance June 30, 2006
Assets not being depreciated:				
Construction in progress	\$ 274,881	\$ 930,696	\$ 1,205,577	\$ -
Land and improvements	505,049	-	-	505,049
Subtotal	779,930	930,696	1,205,577	505,049
Capital assets being depreciated:				
Site improvements	264,498	-	-	264,498
Buildings and improvements	9,562,800	1,205,577	-	10,768,377
Vehicles	442,397	-	59,670	382,727
Furniture and equipment	760,877	29,997	-	790,874
Subtotal	11,030,572	1,235,574	59,670	12,206,476
Accumulated depreciation:				
Site improvements	86,726	7,169	-	93,895
Buildings and improvements	3,222,323	284,418	-	3,506,741
Vehicles	225,048	38,272	59,670	203,650
Furniture and equipment	354,359	72,036	-	426,395
Subtotal	3,888,456	401,895	59,670	4,230,681
Net capital assets being depreciated	7,142,116	833,679	-	7,975,795
Governmental activities net capital assets	\$ 7,922,046	\$ 1,764,375	\$ 1,205,577	\$ 8,480,844

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 5: CAPITAL ASSETS – CONTINUED

Governmental activities depreciation expense was charged as follows:

Instruction	\$ 353,950
Athletics	8,549
Unallocated	<u>39,396</u>
Total depreciation expense	<u>\$ 401,895</u>

NOTE 6: INTERFUND TRANSFERS

Interfund transfers consist of the following:

The General Fund made a transfer in the amount of \$125,000 to the Athletic Fund. The General Fund makes transfers on a yearly basis to support the Athletic Fund.

The General Fund made a transfer in the amount of \$18,276 to the QZAB Debt Retirement Fund for future mandatory payment of debt.

The Sinking Capital Project Fund made a transfer of \$38,461 to the QZAB Debt Retirement Fund for future mandatory payment of debt.

The General Fund made a transfer in the amount of \$1,870 to the Cafeteria Fund. The General Fund makes transfers on a yearly basis to support the Cafeteria Fund.

The General Fund made a transfer in the amount of \$185,498 to the Building & Site Fund to provide funds for current and future projects.

NOTE 7: SHORT-TERM DEBT – STATE AID NOTE

The School District issued a State Aid note in advance of State Aid receipts, depositing the proceeds in its General Fund. This note is necessary because State Aid payments are received from the State from October through August, with no payment in September.

Short-term debt activity for the year ended June 30, 2006, not including interest expense of \$23,295, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
State Aid Note	<u>\$ 500,000</u>	<u>\$ 800,000</u>	<u>\$ 500,000</u>	<u>\$ 800,000</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8: LONG-TERM DEBT

The following is a summary of the School District's governmental activities long-term debt transactions for the year ended June 30, 2006:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and installment agreement:					
General obligation bonds	\$ 8,050,845	\$ -	\$ 355,000	\$ 7,695,845	\$ 434,828
Bond premium	6,694	-	681	6,013	-
Bond discount	(20,261)	1,282	-	(18,979)	-
Refunding deferral	(292,248)	23,082	-	(269,166)	-
Installment agreement	109,656	-	-	109,656	-
Total general obligation debt	7,854,686	24,364	355,681	7,523,369	434,828
Durant resolution debt	63,695	-	22,832	40,863	5,054
Total debt	7,918,381	24,364	378,513	7,564,232	439,882
Other liabilities:					
Compensated absences/ termination pay	1,431,975	-	126,682	1,305,293	-
Total governmental activities long-term liabilities	\$ 9,350,356	\$ 24,364	\$ 505,195	\$ 8,869,525	\$ 439,882

Long-term debt payable at June 30, 2006, is comprised of the following individual instruments:

General Obligation Bonds:

2005 Bus Qualified Zone Academy Bonds due in an annual installment of \$171,000 on April 1, 2011; non-interest bearing	\$ 171,000
2005 Building and Site Qualified Zone Academy Bonds due in an annual installment of \$1,204,845 on April 1, 2020; non-interest bearing.	1,204,845
2004 Serial Refunding Bonds due in annual installments of \$255,000 to \$315,000 through May 1, 2015; interest at 2.0% to 3.4%.	2,575,000
2003 Serial Refunding Bonds due in annual installments of \$75,000 to \$345,000 through May 1, 2021; interest at 2.35% to 4.6%.	3,245,000
2001 Energy Conservation Improvement Bonds due in annual installments of \$125,000 to \$200,000 beginning August 15, 2012 through 2014; non-interest bearing.	500,000

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 8: LONG-TERM DEBT - CONTINUED

2001 Installment Purchase Agreement as Qualified Zone Academy Bonds due in annual installments of \$54,828 October 1, 2006 and 2007; non-interest bearing.

109,656

Total general obligation debt

7,805,501

1998 Series School Improvement Bond due in annual installments of \$5,054 to \$6,683 through May 15, 2013; interest at 4.76%. This bond is a self-liquidating bond. It is payable both as to principal and interest, solely from an annual appropriation by the State of Michigan. If the legislature fails to appropriate the funds, the District is under no obligation for payment.

40,863

Total debt

7,846,364

Compensated Absences/Termination Pay:

The District's support employees are allowed to accumulate up to 125 sick days, 50% of which is payable at their step rate at retirement or termination, after 5 years of employment. Also, after 5 years of employment, teachers are allowed to accumulate up to 65 sick days, payable at the step rate at the time of retirement or termination. In addition, the District currently provides termination pay to qualifying retirees. This amount, which is based on years of service, is paid over 5 years beginning at retirement.

1,305,293

Total governmental activities long-term liabilities

\$9,151,657

The annual requirements to amortize all governmental debt obligations are as follows:

Year Ending June 30	General Obligation		Durant Resolution	
	Principal	Interest	Principal	Interest
2007	\$ 434,828	\$ 202,387	\$ 5,054	\$ 1,946
2008	449,828	194,523	5,296	1,705
2009	400,000	185,208	5,549	1,453
2010	415,000	174,783	5,813	1,188
2011	596,000	163,419	6,089	912
2012 - 2016	2,665,000	594,311	13,062	940
2017 - 2021	2,844,845	222,160	-	-
Total	<u>\$ 7,805,501</u>	<u>\$ 1,736,791</u>	<u>\$ 40,863</u>	<u>\$ 8,144</u>

Bond payments, including interest, are made from Debt Service Funds. The compensated absences liability will be liquidated primarily by the General Fund. There are limitations and restrictions contained in the various bond indentures. The District is in compliance with all significant limitations and restrictions.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 9: DEFINED BENEFIT PENSION PLAN AND POST EMPLOYMENT BENEFITS

The St. Ignace Area School District contributes to the Michigan Public School Employees Retirement System (MPERS), a cost sharing, multiple employer, state-wide public employee retirement plan governed by the State of Michigan and created in 1915. MPERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits to the State's public school employees. MPERS now operates under the provisions of Public Act 300 of 1980, as amended. MPERS issues a publicly available financial report that includes financial statements and required supplementary information for MPERS. That report may be obtained by writing to Michigan Public School Employees' Retirement System, P.O. Box 30171, Lansing, MI 48909-7671 or by calling (517) 322-5103.

Prior to January 1, 1990, MPERS provided a choice of two retirement plans, the Basic Plan, which required no employee contribution and the Member Investment Plan (MIP). For members hired on January 1, 1990 or after, membership in MIP is mandatory. MIP members are required to contribute 3 to 4.3 percent of their annual covered salary and St. Ignace Area School District is required to contribute at an actuarially determined rate. The current rate is 16.34% of annual covered payroll, of which approximately 6.55% is for other post employment benefits (see below). The contribution requirements of plan members and St. Ignace Area School District are established and may be amended by the MPERS Board.

The School District's contribution to MPERS for the years ending June 30, 2006, 2005 and 2004 were \$581,294, \$544,298 and \$504,403 respectively, equal to the required contributions for each year.

The number of participants and other relevant financial information as of September 30, 2005 are as follows:

Health, Dental and Vision Plan:

Eligible retired participants	\$151,706
Participants receiving benefits:	
Health	115,071
Dental/Vision	122,291
Expenses for the year	\$761,695,958
Payroll contribution rate	6.55%

NOTE 10: COMPLIANCE

The School District is in compliance with Section 1212 of the Revised School code for the Sinking Capital Project Fund.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE 11: RESERVES AND DESIGNATIONS OF FUND BALANCES

Major Governmental Funds

General Fund – The General Fund's reserved fund balance includes an amount for prepaid expenses which are not available spendable resources although they are a component of net assets.

QZAB Capital Project Fund – The QZAB Fund's reserved fund balance is for the acquisition and/or construction of major capital assets.

Nonmajor Governmental Funds

Special Revenue Funds – The Special Revenue Fund's reserved fund balance includes amounts for inventories and prepaid expenses which are not available spendable resources although they are a component of net assets.

Capital Project Fund – The nonmajor Capital Project Fund's reserved fund balances are for the acquisition and/or construction of major capital assets.

Debt Service Fund – The Debt Service Fund's reserved fund balance represents resources legally restricted for the payment of principal and interest amounts maturing in future years.

NOTE 12: RISK MANAGEMENT

The School District carries commercial insurance for risks of loss, including property, worker's compensation, employee health insurance and accident coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13: SUBSEQUENT EVENTS

On June 12, 2006, the School District approved a short-term State Aid Note in the amount of \$1,200,000. State Aid payments are received from the State from October through August, with no payment received in September. This note will be used for operations.

REQUIRED SUPPLEMENTAL INFORMATION

ST. IGNACE AREA SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/ (Under)
Revenues:				
Local sources	\$ 146,182	\$ 1,536,983	\$ 1,528,773	\$ (8,210)
State sources	5,516,875	4,337,301	4,343,056	5,755
Federal sources	584,000	575,095	559,721	(15,374)
Interdistrict	-	73,495	14,144	(59,351)
Other sources	19,000	36,400	36,318	(82)
Total revenues	<u>6,266,057</u>	<u>6,559,274</u>	<u>6,482,012</u>	<u>(77,262)</u>
Expenditures:				
Current:				
Instruction:				
Basic programs	3,129,131	3,176,426	3,153,502	(22,924)
Added needs	738,377	700,156	688,703	(11,453)
Alternative education	81,237	91,426	89,102	(2,324)
Support services:				
Pupil	211,272	214,500	211,268	(3,232)
Instructional staff	256,344	243,599	226,751	(16,848)
General administration	211,665	199,787	199,511	(276)
School administration	376,746	380,226	374,763	(5,463)
Business services	148,109	166,965	161,512	(5,453)
Operations and maintenance	697,021	648,043	646,773	(1,270)
Pupil transportation services	399,827	349,418	333,065	(16,353)
Staff/personnel services	500	500	-	(500)
Community services	-	-	-	-
Total expenditures	<u>6,250,229</u>	<u>6,171,046</u>	<u>6,084,950</u>	<u>(86,096)</u>
Excess (deficiency) of revenues over expenditures	<u>15,828</u>	<u>388,228</u>	<u>397,062</u>	<u>8,834</u>
Other financing sources (uses):				
Operating transfers out	<u>(152,146)</u>	<u>(330,646)</u>	<u>(330,644)</u>	<u>2</u>
Net change in fund balance	<u>(136,318)</u>	<u>57,582</u>	<u>66,418</u>	<u>8,836</u>
Fund balance - Beginning of year	<u>339,077</u>	<u>339,077</u>	<u>339,077</u>	<u>-</u>
Fund balance - Ending of year	<u>\$ 202,759</u>	<u>\$ 396,659</u>	<u>\$ 405,495</u>	<u>\$ 8,836</u>

OTHER SUPPLEMENTAL INFORMATION

ST. IGNACE AREA SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<u>Assets</u>				
Cash	\$ 119,218	\$ 143,463	\$ 717,602	\$ 980,283
Investments	-	264,210	-	264,210
Due from other governmental units	2,485	-	-	2,485
Inventories	750	-	-	750
Prepaid expenses	304	-	-	304
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 122,757</u>	<u>\$ 407,673</u>	<u>\$ 717,602</u>	<u>\$ 1,248,032</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 2,212	\$ -	\$ -	\$ 2,212
Salaries payable	14,759	-	-	14,759
Accrued expenses	8,999	-	-	8,999
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>25,970</u>	<u>-</u>	<u>-</u>	<u>25,970</u>
Fund Balances:				
Reserved for inventories and prepaid expenditures	1,054	-	-	1,054
Reserved for debt service	-	407,673	-	407,673
Reserved for capital improvements	-	-	229,602	229,602
Unreserved:				
Undesignated	95,733	-	488,000	583,733
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>96,787</u>	<u>407,673</u>	<u>717,602</u>	<u>1,222,062</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 122,757</u>	<u>\$ 407,673</u>	<u>\$ 717,602</u>	<u>\$ 1,248,032</u>

ST. IGNACE AREA SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2006

<u>Assets</u>	<u>Cafeteria</u>	<u>Athletics</u>	<u>Total</u>
Cash	\$ 74,614	\$ 44,604	\$ 119,218
Due from other governmental units	2,485	-	2,485
Inventories	750	-	750
Prepaid expenses	304	-	304
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 78,153</u>	<u>\$ 44,604</u>	<u>\$ 122,757</u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 2,212	\$ -	\$ 2,212
Salaries payable	14,759	-	14,759
Accrued expenses	8,999	-	8,999
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>25,970</u>	<u>-</u>	<u>25,970</u>
Fund Balances:			
Reserved for inventories and prepaid expenditures	1,054	-	1,054
Unreserved:			
Undesignated	51,129	44,604	95,733
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>52,183</u>	<u>44,604</u>	<u>96,787</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 78,153</u>	<u>\$ 44,604</u>	<u>\$ 122,757</u>

ST. IGNACE AREA SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
Debt Service Funds
June 30, 2006

	<u>2003 Refunding</u>	<u>2004 Refunding</u>	<u>QZAB</u>	<u>Durant Non- Plaintiff</u>	<u>Bus</u>	<u>Total</u>
<u>Assets</u>						
Cash	\$ 52,005	\$ 61,771	\$ -	\$ -	\$ 29,687	\$ 143,463
Investments	<u>-</u>	<u>-</u>	<u>235,710</u>	<u>-</u>	<u>28,500</u>	<u>264,210</u>
Total assets	<u>\$ 52,005</u>	<u>\$ 61,771</u>	<u>\$ 235,710</u>	<u>\$ -</u>	<u>\$ 58,187</u>	<u>\$ 407,673</u>
<u>Fund Balances</u>						
Fund Balances:						
Reserved for debt service	<u>\$ 52,005</u>	<u>\$ 61,771</u>	<u>\$ 235,710</u>	<u>\$ -</u>	<u>\$ 58,187</u>	<u>\$ 407,673</u>

ST. IGNACE AREA SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
Capital Project Funds
June 30, 2006

	Building and Site	Bus	Sinking	Total
<u>Assets</u>				
Cash	\$ 488,000	\$ 56,532	\$ 92,747	\$ 637,279
Investments	-	-	80,323	80,323
Total Assets	<u>\$ 488,000</u>	<u>\$ 56,532</u>	<u>\$ 173,070</u>	<u>\$ 717,602</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund Balances:				
Reserved for capital improvements	-	56,532	173,070	229,602
Unreserved:				
Undesignated	<u>488,000</u>	<u>-</u>	<u>-</u>	<u>488,000</u>
Total fund balances	<u>488,000</u>	<u>56,532</u>	<u>173,070</u>	<u>717,602</u>
Total liabilities and fund balances	<u>\$ 488,000</u>	<u>\$ 56,532</u>	<u>\$ 173,070</u>	<u>\$ 717,602</u>

ST. IGNACE AREA SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2006

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Revenues:				
Local sources	\$ 169,336	\$ 601,756	\$ 145,940	\$ 917,032
State sources	29,274	33,039	-	62,313
Federal sources	165,168	-	-	165,168
	<u>363,778</u>	<u>634,795</u>	<u>145,940</u>	<u>1,144,513</u>
Total revenues				
Expenditures:				
Current:				
Food service	301,795	-	-	301,795
Athletics	147,343	-	-	147,343
Debt service:				
Principal	-	377,832	-	377,832
Interest	-	220,732	-	220,732
Capital outlay	-	-	7,832	7,832
	<u>449,138</u>	<u>598,564</u>	<u>7,832</u>	<u>1,055,534</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(85,360)</u>	<u>36,231</u>	<u>138,108</u>	<u>88,979</u>
Other financing sources (uses):				
Operating transfers in	126,870	56,737	185,498	369,105
Operating transfers out	-	-	(38,461)	(38,461)
	<u>126,870</u>	<u>56,737</u>	<u>147,037</u>	<u>330,644</u>
Total other financing sources (uses)				
Net change in fund balances	41,510	92,968	285,145	419,623
Fund balances - beginning of year	<u>55,277</u>	<u>314,705</u>	<u>432,457</u>	<u>802,439</u>
Fund balances - end of year	<u>\$ 96,787</u>	<u>\$ 407,673</u>	<u>\$ 717,602</u>	<u>\$ 1,222,062</u>

ST. IGNACE AREA SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
Year Ended June 30, 2006

	Cafeteria	Athletics	Total
Revenues:			
Local sources	\$ 107,765	\$ 61,571	\$ 169,336
State sources	29,274	-	29,274
Federal sources	165,168	-	165,168
	<hr/>	<hr/>	<hr/>
Total revenues	302,207	61,571	363,778
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current:			
Food service	301,795	-	301,795
Athletics	-	147,343	147,343
	<hr/>	<hr/>	<hr/>
Total expenditures	301,795	147,343	449,138
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	412	(85,772)	(85,360)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Operating transfers in	1,870	125,000	126,870
	<hr/>	<hr/>	<hr/>
Net change in fund balances	2,282	39,228	41,510
	<hr/>	<hr/>	<hr/>
Fund balances - beginning of year	49,901	5,376	55,277
	<hr/>	<hr/>	<hr/>
Fund balances - end of year	<u>\$ 52,183</u>	<u>\$ 44,604</u>	<u>\$ 96,787</u>

ST. IGNACE AREA SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Debt Service Funds
Year Ended June 30, 2006

	2003 Refunding	2004 Refunding	QZAB	Durant Non- Plaintiff	Bus	Total
Revenues:						
Local sources	\$ 232,133	\$ 336,100	\$ 4,414	\$ -	\$ 29,109	\$ 601,756
State sources	-	-	-	33,039	-	33,039
Total revenues	232,133	336,100	4,414	33,039	29,109	634,795
Expenditures:						
Debt service:						
Principal	90,000	265,000	-	22,832	-	377,832
Interest	133,892	76,633	-	10,207	-	220,732
Total expenditures	223,892	341,633	-	33,039	-	598,564
Excess (deficiency) of revenues over expenditures	8,241	(5,533)	4,414	-	29,109	36,231
Other financing sources (uses):						
Operating transfers in	-	-	56,737	-	-	56,737
Net change in fund balances	8,241	(5,533)	61,151	-	29,109	92,968
Fund balances - beginning of year	43,764	67,304	174,559	-	29,078	314,705
Fund balances - end of year	\$ 52,005	\$ 61,771	\$ 235,710	\$ -	\$ 58,187	\$ 407,673

ST. IGNACE AREA SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Capital Project Funds
Year Ended June 30, 2006

	<u>Building and Site</u>	<u>Bus</u>	<u>Sinking</u>	<u>Total</u>
Revenues:				
Local sources	\$ 15,541	\$ 1,395	\$ 129,004	\$ 145,940
Expenditures:				
Capital outlay	<u>7,832</u>	<u>-</u>	<u>-</u>	<u>7,832</u>
Excess (deficiency) of revenues over expenditures	<u>7,709</u>	<u>1,395</u>	<u>129,004</u>	<u>138,108</u>
Other financing sources (uses):				
Operating transfers in	185,498	-	-	185,498
Operating transfers out	<u>-</u>	<u>-</u>	<u>(38,461)</u>	<u>(38,461)</u>
Total other financing sources (uses)	<u>185,498</u>	<u>-</u>	<u>(38,461)</u>	<u>147,037</u>
Net change in fund balances	193,207	1,395	90,543	285,145
Fund balances - beginning of year	<u>294,793</u>	<u>55,137</u>	<u>82,527</u>	<u>432,457</u>
Fund balances - end of year	<u><u>\$ 488,000</u></u>	<u><u>\$ 56,532</u></u>	<u><u>\$ 173,070</u></u>	<u><u>\$ 717,602</u></u>

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Statement of Receipts and Disbursements
Fiduciary Fund
Year Ended June 30, 2006

	Asset Balance July 1, 2005	2005-2006		Asset Balance June 30, 2006
		Receipts	Disbursements	
Art Club	\$ 542	\$ -	\$ -	\$ 542
Band	3,762	26,170	27,316	2,616
Baseball	84	8,321	4,923	3,482
Biology	803	-	-	803
Bowling	992	1,730	2,714	8
Boys Basketball	7,597	9,850	6,512	10,935
Boys Football	10,529	24,025	21,980	12,574
Buddy-Up	543	-	543	-
Cheerleaders - Basketball JV	-	177	12	165
Cheerleaders - Football JV	355	1,455	983	827
Cheerleaders - JH	47	-	-	47
Cheerleaders -Varsity	2	5,275	4,437	840
Choir	265	1,050	-	1,315
Class of 2003	24	-	-	24
Class of 2004	64	-	-	64
Class of 2005	903	55	-	958
Class of 2006	3,601	2,310	4,349	1,562
Class of 2007	1,054	7,637	5,676	3,015
Class of 2008	59	643	288	414
Class of 2009	12	-	-	12
Class of 2010	-	23	-	23
Class of 2012	-	254	150	104
Close Up	573	864	461	976
Cross Country	-	270	-	270
Dance/Elementary Music	9	-	-	9
Dance/HS	-	1,266	1,027	239
Donations	3,390	425	530	3,285
Drama Club	4,898	1,743	1,464	5,177
Elementary Fund	4,368	13,408	6,071	11,705
Elementary Field Trip	654	3,065	3,213	506
Elementary Scholarship	1,800	444	600	1,644
Europe	421	4,147	3,829	739
French Club	296	-	-	296
Gifted and Talented	6	-	-	6
Girls Basketball	7,046	8,237	9,027	6,256
Girls Volleyball	322	12,992	3,070	10,244
Girls Volleyball-JH	-	1,133	945	188
Girls Volleyball-Gr 9	-	3,000	-	3,000
Golf	161	588	624	125
High School-Administration	2,006	-	-	2,006
High School-Sign	346	-	-	346
Home Ec Club	7	84	86	5

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Statement of Receipts and Disbursements
Fiduciary Fund
(Continued)
Year Ended June 30, 2006

	Asset Balance July 1, 2005	2005-2006		Asset Balance June 30, 2006
		Receipts	Disbursements	
Industrial Arts	2,126	1,897	1,444	2,579
Interest	2,849	749	33	3,565
Kreski Kash	-	256	163	93
LaSalle Fund	2,176	3,886	3,422	2,640
Library Club	199	-	-	199
Library - MS	915	5,193	4,024	2,084
MS Juice	1,253	6,497	7,750	-
Math	146	-	-	146
National Honor Society	348	677	810	215
Physics	483	200	-	683
Popcorn	2,359	-	2,359	-
Quiz Bowl	-	456	322	134
"S" Club	252	1,799	1,463	588
S.A.D.D.	1,515	-	-	1,515
S I Service Center	108	-	-	108
Ski Club-High School	378	3,785	3,745	418
Ski Club-Middle School	79	-	-	79
Softball	-	10,893	4,736	6,157
Special Ed Martin	-	5,457	2,487	2,970
Student Council-Elementary	1,307	-	1,307	-
Student Council-High School	759	3,749	3,424	1,084
Support Staff	223	-	-	223
Toolsie Roll	822	-	66	756
Track-JH	-	712	712	-
Track	939	3,452	3,664	727
Track Improvement	17,470	5,000	-	22,470
Woodshop	3	-	-	3
Wrestling - Boys	1,530	4,232	3,009	2,753
Wrestling - JH	296	360	666	(10)
Yearbook-JH	4,611	187	4,798	-
Yearbook-HS	4,782	4,745	9,527	-
Yearbook 06	-	23,196	12,294	10,902
Total	\$ 105,469	\$ 228,019	\$ 183,055	\$ 150,433

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE: 2005 QZAB Bus Bonds

PURPOSE: The acquisition of three school buses.

DATE OF ISSUE: April 1, 2005

RATE OF INTEREST: Flat rate of 0%

ORIGINAL OBLIGATION: \$ 171,000

AMOUNT PREVIOUSLY PAID: -

BALANCE OUTSTANDING - JUNE 30, 2006 \$ 171,000

<u>Fiscal Year</u>	<u>April 1, Principal</u>	<u>Annual Requirements</u>
2011	<u>\$ 171,000</u>	<u>\$ 171,000</u>

Call provision: This bond is not subject to redemption prior to maturity.

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE: 2005 QZAB School Building and Site Bonds

PURPOSE: High School renovations.

DATE OF ISSUE: April 1, 2005

RATE OF INTEREST: Flat rate of 0%

ORIGINAL OBLIGATION: \$ 1,204,845

AMOUNT PREVIOUSLY PAID: -

BALANCE OUTSTANDING - JUNE 30, 2006 \$ 1,204,845

<u>Fiscal Year</u>	<u>April 1, Principal</u>	<u>Annual Requirements</u>
2020	<u>\$ 1,204,845</u>	<u>\$ 1,204,845</u>

Call provision: This bond is not subject to redemption prior to maturity.

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE: 2004 Refunding Bonds

PURPOSE: To refund all or a portion of the outstanding
1994 Refunding Bonds.

DATE OF ISSUE: March 30, 2004

RATE OF INTEREST: 2.00% to 3.40%

ORIGINAL OBLIGATION: \$ 3,075,000

AMOUNT PREVIOUSLY PAID: 500,000

BALANCE OUTSTANDING - JUNE 30, 2006 \$ 2,575,000

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>November 1, Interest</u>	<u>May 1, Interest</u>	<u>May 1, Principal</u>	<u>Annual Requirements</u>
2006-07	2.000%	\$ 35,426	\$ 35,426	\$ 305,000	\$ 375,852
2007-08	2.250%	32,376	32,375	300,000	364,751
2008-09	2.500%	29,001	29,000	315,000	373,001
2009-10	2.500%	25,063	25,063	305,000	355,126
2010-11	3.000%	21,251	21,250	290,000	332,501
2011-12	3.000%	16,901	16,900	280,000	313,801
2012-13	3.125%	12,701	12,700	265,000	290,401
2013-14	3.250%	8,560	8,560	260,000	277,120
2014-15	3.400%	4,335	4,335	255,000	263,670
		<u>\$ 185,614</u>	<u>\$ 185,609</u>	<u>\$ 2,575,000</u>	<u>\$ 2,946,223</u>

Call provision: These bonds are not subject to redemption prior to maturity.

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE: 2003 Refunding Bonds

PURPOSE: To refund all or a portion of the outstanding
1995 School Building and Site Bonds

DATE OF ISSUE: September 16, 2003

RATE OF INTEREST: 2.350% to 4.600%

ORIGINAL OBLIGATION: \$ 3,480,000

AMOUNT PREVIOUSLY PAID: 235,000

BALANCE OUTSTANDING - JUNE 30, 2006 \$ 3,245,000

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>November 1, Interest</u>	<u>May 1, Interest</u>	<u>May 1, Principal</u>	<u>Annual Requirements</u>
2006-07	2.350%	\$ 65,768	\$ 65,768	\$ 75,000	\$ 206,536
2007-08	2.700%	64,886	64,886	95,000	224,772
2008-09	3.000%	63,604	63,603	85,000	212,207
2009-10	3.400%	62,329	62,328	110,000	234,657
2010-11	3.600%	60,459	60,458	135,000	255,917
2011-12	3.750%	58,029	58,028	160,000	276,057
2012-13	3.850%	55,029	55,028	185,000	295,057
2013-14	4.000%	51,468	51,467	205,000	307,935
2014-15	4.000%	47,368	47,367	230,000	324,735
2015-16	4.100%	42,768	42,767	325,000	410,535
2016-17	4.200%	36,105	36,105	325,000	397,210
2017-18	4.300%	29,280	29,280	320,000	378,560
2018-19	4.400%	22,400	22,400	320,000	364,800
2019-20	4.500%	15,360	15,360	330,000	360,720
2020-21	4.600%	7,935	7,935	345,000	360,870
		<u>\$ 682,788</u>	<u>\$ 682,780</u>	<u>\$ 3,245,000</u>	<u>\$ 4,610,568</u>

Call provision: Bonds of this issue maturing on or after May 1, 2014, are subject to redemption at the option of the issuer in multiples of \$5,000 in such order as the issuer may determine, by lot within any maturity, on any date occurring on or after May 1, 2013, at par plus accrued interest to the date fixed for redemption.

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE: 2001 Energy Conservation Improvement Bonds

PURPOSE: The acquisition and construction of energy conservation improvements.

DATE OF ISSUE: August 15, 2001

RATE OF INTEREST: Flat rate of 0%

ORIGINAL OBLIGATION: \$ 500,000

AMOUNT PREVIOUSLY PAID: -

BALANCE OUTSTANDING - JUNE 30, 2006 \$ 500,000

<u>Fiscal Year</u>	<u>August 15, Principal</u>	<u>Annual Requirements</u>
2013	\$ 125,000	\$ 125,000
2014	200,000	200,000
2015	175,000	175,000
	<u>\$ 500,000</u>	<u>\$ 500,000</u>

Call provision: These bonds are not subject to redemption prior to maturity.

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE: QZAB Installment Purchase Agreement

PURPOSE: Various construction and purchase expenditures for the district.

DATE OF ISSUE: October 1, 2001

RATE OF INTEREST: Flat rate of 0%

ORIGINAL OBLIGATION: \$ 109,656

AMOUNT PREVIOUSLY PAID: -

BALANCE OUTSTANDING - JUNE 30, 2006 \$ 109,656

<u>Fiscal Year</u>	<u>October 1, Principal</u>	<u>Annual Requirements</u>
2007	\$ 54,828	\$ 54,828
2008	54,828	54,828
	<u>\$ 109,656</u>	<u>\$ 109,656</u>

ST. IGNACE AREA SCHOOL DISTRICT
Other Supplemental Information
Schedule of Bonded Indebtedness
June 30, 2006

TITLE: Durant Resolution Package Bond
School Improvement Bond, Series 1998

DATE OF ISSUE: November 24, 1998

RATE OF INTEREST: 4.761353%

ORIGINAL OBLIGATION: \$ 99,700

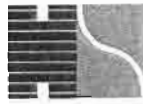
AMOUNT PREVIOUSLY PAID: 58,837

BALANCE OUTSTANDING - JUNE 30, 2006 \$ 40,863

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>May 15, Interest</u>	<u>May 15, Principal</u>	<u>Annual Requirements</u>
2006-07	4.761353%	\$ 1,946	\$ 5,054	\$ 7,000
2007-08	4.761353%	1,705	5,296	7,001
2008-09	4.761353%	1,453	5,549	7,002
2009-10	4.761353%	1,188	5,813	7,001
2010-11	4.761353%	912	6,089	7,001
2011-12	4.761353%	622	6,379	7,001
2012-13	4.761353%	318	6,683	7,001
		<u>\$ 8,144</u>	<u>\$ 40,863</u>	<u>\$ 49,007</u>

Call provision: This bond is not subject to redemption prior to maturity.

FEDERAL SINGLE AUDIT REPORTING



July 27, 2006

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Superintendent and Board of Education
St. Ignace Area School District
St. Ignace, Michigan

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of St. Ignace Area School District, as of and for the year ended June 30, 2006, which collectively comprise St. Ignace Area School District's basic financial statements and have issued our report thereon dated July 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered St. Ignace Area School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

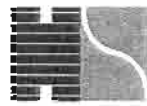
Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Ignace Area School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hill, Schroderus & Co.

CERTIFIED PUBLIC ACCOUNTANTS
Petoskey, Michigan



July 27, 2006

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Superintendent and Board of Education
St. Ignace Area School District
St. Ignace, Michigan

Compliance

We have audited the compliance of St. Ignace Area School District, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. St. Ignace Area School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of St. Ignace Area School District's management. Our responsibility is to express an opinion on St. Ignace Area School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about St. Ignace Area School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on St. Ignace Area School District's compliance with those requirements.

In our opinion, St. Ignace Area School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of St. Ignace Area School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered St. Ignace Area School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

St. Ignace Area School District
St. Ignace, Michigan

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hill Schroeder & Co.

CERTIFIED PUBLIC ACCOUNTANTS
Petoskey, Michigan

ST. IGNACE AREA SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Fiscal Year Ended June 30, 2006

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal CFDA Number	Approved Grant Award Amount	Accrued (Deferred) Revenue July 1, 2005	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue June 30, 2006
U.S. Department of Education							
Direct Programs							
Impact Aid	84.041	\$ 125,512	\$ -	\$ 181,857	\$ 125,512	\$ 125,512	\$ -
Indian Education							
04 - 05	84.060A	-	62,611	123,226	-	62,611	-
05 - 06	84.060A	120,692	-	-	120,692	90,000	30,692
Total		120,692	62,611	123,226	120,692	152,611	30,692
Total Direct		246,204	62,611	305,083	246,204	278,123	30,692
Passed Through MDE							
Title I, Part A							
41530 - 0405 Carryover	84.010	5,763	5,463	5,763	-	5,463	-
51530 - 0405 Carryover	84.010	132,938	65,379	132,939	-	65,379	-
51530 - 0506 Reg	84.010	11,825	-	-	11,825	8,555	3,270
61530 - 0506 Reg	84.010	123,049	-	-	114,850	85,726	29,124
Total		273,575	70,842	138,702	126,675	165,123	32,394
Title V LEA Allocation - 050250-0405	84.298	6,359	6,359	6,359	-	6,359	-
Title V LEA Allocation - 060250-0506	84.298	3,400	-	-	3,400	3,400	-
Total		9,759	6,359	6,359	3,400	9,759	-
Title II D, Ed. Tech.							
54290 - 0405	84.318	3,679	2,779	3,679	-	2,779	-
64290 - 0506	84.318	2,296	-	-	2,296	367	1,929
Total		5,975	2,779	3,679	2,296	3,146	1,929
Title IIA, Teacher Training							
050520 - 0405	84.367	37,440	16,854	37,440	-	16,854	-
050520 - 0506	84.367	6,191	-	-	6,191	4,442	1,749
060520 - 0506	84.367	41,542	-	-	30,312	21,259	9,053
Total		85,173	16,854	37,440	36,503	42,555	10,802
Total Passed Through MDE		374,482	96,834	186,180	168,874	220,583	45,125
Passed Through Eastern Upper Peninsula ISD							
Title VI-B Flowthrough - 060450-0506	84.027	72,600	-	-	72,600	41,352	31,248
Freedom to Learn - 0506 Lead Teacher	84.318	4,000	-	-	4,000	4,000	-
Freedom to Learn - 064280-5a	84.318	11,000	-	-	11,000	11,000	-
Total Passed Through ISD		87,600	-	-	87,600	56,352	31,248
Total U.S. Dept. of Education		708,286	159,445	491,263	502,678	555,058	107,065

U.S. Dept. of Agriculture									
Passed Through MDE									
Entitlement Commodities									
Bonus Commodities									
Total									
10.555	21,863	-	-	21,863	21,863	-	-	-	-
10.555	2,922	-	-	2,922	2,922	-	-	-	-
	<u>24,785</u>			<u>24,785</u>	<u>24,785</u>				
Breakfast - 51970									
10.553	2,608	-	-	2,608	2,608	-	-	-	-
10.553	23,556	-	-	23,556	23,556	-	-	-	-
	<u>26,164</u>			<u>26,164</u>	<u>26,164</u>				
Total									
National School Lunch									
Section 4 - All Lunches 51950									
10.555	2,245	-	-	2,245	2,245	-	-	-	-
10.555	18,359	-	-	18,359	18,359	-	-	-	-
10.555	9,947	-	-	9,947	9,947	-	-	-	-
Section II - Free & Reduced 51960									
10.555	83,668	-	-	83,668	83,668	-	-	-	-
	<u>114,219</u>			<u>114,219</u>	<u>114,219</u>				
Total									
	<u>165,168</u>			<u>165,168</u>	<u>165,168</u>				
Total U.S. Dept. of Agriculture									
U.S. Dept. of Homeland Security									
Passed Through Michigan State Police									
Equipment Grant Agreement									
97.004	4,002	-	-	4,002	4,002	-	-	-	-
U.S. Dept. of Land Maintenance									
Passed Through Mackinac County									
National Forest Receipts									
10.665	53,041	-	-	53,041	53,041	-	-	-	-
	<u>\$ 930,497</u>			<u>\$ 159,445</u>	<u>\$ 491,263</u>				
Total Federal Financial Assistance									
				<u>\$ 724,889</u>	<u>\$ 777,269</u>			<u>\$ 107,065</u>	

Notes:

1. Expenditures in this schedule are in agreement with amounts reported in the financial statements and the financial reports (DS4044, DS4092A, SM4012, etc.).
2. The amounts reported on the R7120, Grant Section Auditors Report, reconcile with this schedule.
3. The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with this schedule for USDA food commodities and are reported in the Cash Receipts column.
4. Expenditures include spoilage or pilferage.
5. Schedule was prepared using the modified accrual basis.

ST. IGNACE AREA SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2006

Findings/Noncompliance

There were no uncorrected findings from the previous year's audit.

**ST. IGNACE AREA SCHOOL DISTRICT
ST. IGNACE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2006**

1. Summary of Audit Results

- i. St. Ignace Area School District has received an unqualified opinion on its financial statements.
- ii. We noted no matters in St. Ignace Area School District's internal control structure which we consider to be reportable conditions.
- iii. We noted no noncompliance that would be material to the financial statements.
- iv. We noted no matters in St. Ignace Area School District's internal control over major programs which we consider to be reportable conditions.
- v. St. Ignace Area School District has received an unqualified opinion on compliance for its major programs: Impact Aid (CFDA # 84.041) and Title I, Part A (CFDA # 84.010).
- vi. We noted no audit findings relative to the major federal award programs for St. Ignace Area School District.
- vii. The following were identified and tested as major programs: Impact Aid (CFDA #84.041) and Title I, Part A (CFDA #84.010).
- viii. Type A programs are defined as Federal Programs with Federal Awards expended during the audit period exceeding \$300,000. All other programs are considered to be Type B programs. St. Ignace Area School District has no Type A programs.
- ix. St. Ignace Area School District did qualify as a low-risk auditee under Section .530.

2. Findings relating to the financial statements:

None.

NO MANAGEMENT LETTER WAS ISSUED TO THE ST. IGNACE AREA SCHOOL DISTRICT FOR THE YEAR ENDED JUNE 30, 2006.

FORM **SF-SAC**
(5-2004)U.S. DEPT. OF COMM.—Econ. and Stat. Admin.—U.S. CENSUS BUREAU
ACTING AS COLLECTING AGENT FOR
OFFICE OF MANAGEMENT AND BUDGET**Data Collection Form for Reporting on
AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS
for Fiscal Year Ending Dates in 2004, 2005, or 2006**

Complete this form, as required by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**RETURN
TO****Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132****PART I****GENERAL INFORMATION (To be completed by auditee, except for Items 4 and 7)****1. Fiscal period ending date for this submission**Month Day Year
06 / 30 / 2006Fiscal Period End Dates Must
Be In 2004, 2005, or 2006**2. Type of Circular A-133 audit**1 ☒ Single audit 2 ☐ Program-specific audit**3. Audit period covered**1 ☒ Annual 2 ☐ Biennial 3 ☐ Other — Months**4. FEDERAL
GOVERNMENT
USE ONLY**Date received by
Federal clearinghouse**5. Auditee Identification Numbers****a. Primary Employer Identification Number (EIN)**

3 8 - 1 8 8 3 6 3 0

b. Are multiple EINs covered in this report? 1 ☐ Yes 2 ☒ No**c. If Part I, Item 5b = "Yes," complete Part I, Item 5c on the continuation sheet on Page 4.****d. Data Universal Numbering System (DUNS) Number**

1 0 - 0 0 3 - 6 5 3 2

e. Are multiple DUNS covered in this report? 1 ☐ Yes 2 ☒ No**f. If Part I, Item 5e = "Yes," complete Part I, Item 5f on the continuation sheet on Page 4.****6. AUDITEE INFORMATION****a. Auditee name**

ST. IGNACE AREA SCHOOL DISTRICT

b. Auditee address (Number and street)

840 PORTAGE

City

ST. IGNACE

State

ZIP + 4 Code

MI

4 9 7 8 1 -

c. Auditee contact

Name

KATHY MCLEOD

Title

BUSINESS MANAGER

d. Auditee contact telephone

(906) 643 — 8145

e. Auditee contact FAX

(906) 643 — 0247

f. Auditee contact E-mail**g. AUDITEE CERTIFICATION STATEMENT** — This is to certify that, to the best of my knowledge and belief, the auditee has: (1) engaged an auditor to perform an audit in accordance with the provisions of OMB Circular A-133 for the period described in Part I, Items 1 and 3; (2) the auditor has completed such audit and presented a signed audit report which states that the audit was conducted in accordance with the provisions of the Circular; and, (3) the information included in **Parts I, II, and III** of this data collection form is accurate and complete. I declare that the foregoing is true and correct.

Signature of certifying official

Date
Month Day Year
/ /

Printed Name of certifying official

Printed Title of certifying official

7. AUDITOR INFORMATION (To be completed by auditor)**a. Auditor name**

HILL, SCHRODERUS & CO., LLP

b. Auditor address (Number and street)

923 SPRING STREET

City

PETOSKEY

State

ZIP + 4 Code

MI

4 9 7 7 0 -

c. Auditor contact

Name

LAURIE BAMBERG

Title

CERTIFIED PUBLIC ACCOUNTANT

d. Auditor contact telephone

(231) 347 — 4136

e. Auditor contact FAX

(231) 347 — 4147

f. Auditor contact E-mail

LAURIE@HS-CO.COM

9. AUDITOR STATEMENT — The data elements and information included in this form are limited to those prescribed by OMB Circular A-133. The information included in Parts II and III of the form, except for Part III, Items 7, 8, and 9a-9f, was transferred from the auditor's report(s) for the period described in Part I, Items 1 and 3, and is **not a substitute** for such reports. The auditor has not performed any auditing procedures since the date of the auditor's report(s). A copy of the reporting package required by OMB Circular A-133, which includes the complete auditor's report(s), is available in its entirety from the auditee at the address provided in Part I of this form. As required by OMB Circular A-133, the information in **Parts II and III** of this form was entered in this form by the auditor based on information included in the reporting package. The auditor has not performed any additional auditing procedures in connection with the completion of this form.

Signature of auditor

Date
Month Day Year
/ /

Laurie Bamberg CPA 10 / 9 / 06

PART II**FINANCIAL STATEMENTS (To be completed by auditor)**

1. Type of audit report

Mark either: 1 ☒ Unqualified opinion **OR**
 any combination of: 2 ☐ Qualified opinion 3 ☐ Adverse opinion 4 ☐ Disclaimer of opinion

2. Is a "going concern" explanatory paragraph included in the audit report?

1 ☐ Yes 2 ☒ No

3. Is a reportable condition disclosed?

1 ☐ Yes 2 ☒ No - SKIP to Item 5

4. Is any reportable condition reported as a material weakness?

1 ☐ Yes 2 ☐ No

5. Is a material noncompliance disclosed?

1 ☐ Yes 2 ☒ No**PART III****FEDERAL PROGRAMS (To be completed by auditor)**

1. Does the auditor's report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? (AICPA Audit Guide, Chapter 12)

1 ☐ Yes 2 ☒ No

2. What is the dollar threshold to distinguish Type A and Type B programs? (OMB Circular A-133 § .520(b))

\$ 300,000

3. Did the auditee qualify as a low-risk auditee? (§ .530)

1 ☒ Yes 2 ☐ No

4. Is a reportable condition disclosed for any major program? (§ .510(a)(1))

1 ☐ Yes 2 ☒ No - SKIP to Item 6

5. Is any reportable condition reported as a material weakness? (§ .510(a)(1))

1 ☐ Yes 2 ☐ No

6. Are any known questioned costs reported? (§ .510(a)(3) or (4))

1 ☐ Yes 2 ☒ No7. Were Prior Audit Findings related to **direct** funding shown in the Summary Schedule of Prior Audit Findings? (§ .315(b))1 ☐ Yes 2 ☒ No8. Indicate which **Federal** agency(ies) have current year audit findings related to **direct** funding or prior audit findings shown in the Summary Schedule of Prior Audit Findings related to **direct** funding. (Mark (X) all that apply or None)98 ☐ U.S. Agency for International Development83 ☐ Federal Emergency Management Agency43 ☐ National Aeronautics and Space Administration95 ☐ Social Security Administration10 ☐ Agriculture39 ☐ General Services Administration89 ☐ National Archives and Records Administration19 ☐ U.S. Department of State23 ☐ Appalachian Regional Commission93 ☐ Health and Human Services05 ☐ National Endowment for the Arts20 ☐ Transportation11 ☐ Commerce97 ☐ Homeland Security06 ☐ National Endowment for the Humanities21 ☐ Treasury94 ☐ Corporation for National and Community Service03 ☐ Institute of Museum and Library Services47 ☐ National Science Foundation82 ☐ United States Information Agency12 ☐ Defense15 ☐ Interior07 ☐ Office of National Drug Control Policy64 ☐ Veterans Affairs84 ☐ Education16 ☐ Justice09 ☐ Legal Services Corporation00 ☒ None81 ☐ Energy17 ☐ Labor☐ Other - Specify:66 ☐ Environmental Protection Agency59 ☐ Small Business Administration

Each agency identified is required to receive a copy of the reporting package.

In addition, one copy each of the reporting package is required for:

- the Federal Audit Clearinghouse archives ☒
- and, if not marked above, the Federal cognizant agency ☐

Count total number of boxes marked above and submit this number of reporting packages

PART II **FEDERAL PROGRAMS - Continued****9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR**

CFDA Number			Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		If yes, type of audit report 3 (h)	10. AUDIT FINDINGS	
Federal Agency Prefix 1 (a)	Extension 2 (b)	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No					Major program (g)	Type(s) of compliance requirement(s) 4 (a)		Audit finding reference number(s) 5 (b)	
8 4	.041	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	IMPACT AID	\$ 125,512.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A		
8 4	.060A	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	INDIAN EDUCATION	\$ 120,692.00	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
8 4	.010	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE I	\$ 11,825.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A		
8 4	.010	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE I	\$ 114,850.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input checked="" type="checkbox"/> Yes 2 <input type="checkbox"/> No	U	O	N/A		
8 4	.298	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE V	\$ 3,400.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
8 4	.318	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	ED. TECH. FORMULA GRANT	\$ 2,296.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
8 4	.367	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE IIA	\$ 6,191.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
8 4	.367	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE IIA	\$ 30,312.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
8 4	.027	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	TITLE VI-8 FLOWTHROUGH	\$ 72,600.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
8 4	.318	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	FREEDOM TO LEARN	\$ 4,000.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A		
TOTAL FEDERAL AWARDS EXPENDED					\$ 724,889.00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS					

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

A. Activities allowed or unallowed
 B. Allowable costs/cost principles
 C. Cash management
 D. Davis - Bacon Act
 E. Eligibility
 F. Equipment and real property management
 G. Matching, level of effort, earmarking
 H. Period of availability of Federal funds
 I. Procurement and suspension and debarment
 J. Program income
 K. Real property acquisition and relocation assistance
 L. Reporting
 M. Subrecipient monitoring
 N. Special tests and provisions
 O. None
 P. Other

PART III **FEDERAL PROGRAMS - Continued****9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR**

CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program (g)		If yes, type of audit report (h)	10. AUDIT FINDINGS	
Federal Agency Prefix (a)	Extension (b)					Major program	Type(s) of compliance requirement(s) (a)		Audit finding reference number(s) (b)	
8	4	318	FREEDOM TO LEARN	\$ 11,000.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
1	0	.555	ENTITLEMENT COMMODITIES	\$ 21,863.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
1	0	.555	BONUS COMMODITIES	\$ 2,922.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
1	0	.553	BREAKFAST	\$ 2,608.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
1	0	.553	BREAKFAST	\$ 23,556.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
1	0	.555	ALL LUNCHES	\$ 2,245.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
1	0	.555	ALL LUNCHES	\$ 18,359.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
1	0	.555	FREE AND REDUCED LUNCHES	\$ 9,947.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
1	0	.555	FREE AND REDUCED LUNCHES	\$ 83,668.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
9	7	.004	HOMELAND SECURITY EQUIPMENT GRANT	\$ 4,002.00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No			O	N/A
TOTAL FEDERAL AWARDS EXPENDED				\$ 724,889.00	IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS					

¹ See Appendix 1 of instructions for valid Federal Agency two-digit prefixes.² Or other identifying number when the Catalog of Federal Domestic Assistance (CFDA) number is not available. (See Instructions)³ If major program is marked "Yes," enter only one letter (U = Unqualified opinion, Q = Qualified opinion, A = Adverse opinion, D = Disclaimer of opinion) corresponding to the type of audit report in the adjacent box. If major program is marked "No," leave the type of audit report box blank.⁴ Enter the letter(s) of all type(s) of compliance requirement(s) that apply to audit findings (i.e., noncompliance, reportable conditions (including material weaknesses), questioned costs, fraud, and other items reported under § 510(a)) reported for each Federal program.

A. Activities allowed or unallowed

B. Allowable costs/cost principles

C. Cash management

D. Davis - Bacon Act

5 N/A for NONE

E. Eligibility

F. Equipment and real property management

G. Matching, level of effort, earmarking

H. Period of availability of Federal funds

I. Procurement and suspension and debarment

J. Program income

K. Real property acquisition and relocation assistance

L. Reporting

M. Subrecipient monitoring

N. Special tests and provisions

O. None

P. Other

PART III **FEDERAL PROGRAMS - Continued****9. FEDERAL AWARDS EXPENDED DURING FISCAL YEAR**

CFDA Number		Research and development (c)	Name of Federal program (d)	Amount expended (e)	Direct award (f)	Major program		10. AUDIT FINDINGS	
Federal Agency Prefix ¹	Extension ²					Major program (g)	Ill yes, type of audit report 3 (h)	Type(s) of compliance requirement(s) ⁴ (a)	Audit finding reference number(s) ⁵ (b)
1	0 . 665	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	NATIONAL FOREST RECEIPTS	\$ 53,041 .00	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input checked="" type="checkbox"/> No		O	N/A
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
		1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No		\$.00	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No			
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PART I

f. List the multiple DUNS covered in the report.

c. List the multiple Employer Identification Numbers (EINs) covered in this report.

[illegible]

IF ADDITIONAL LINES ARE NEEDED, PLEASE PHOTOCOPY THIS PAGE, ATTACH ADDITIONAL PAGES TO THE FORM, AND SEE INSTRUCTIONS.